

Department of Environmental Conservation

DIVISION OF SPILL PREVENTION & RESPONSE Contaminated Sites Program

555 Cordova Street Anchorage, Alaska 99501 Phone: 907.269.7503 Fax: 907.269.7649 dec.alaska.gov

December 23, 2013

Mark A. Gebbia, PE Manager, Environmental Services Williams, Inc. One Williams Center, MD 48-6 Tulsa, OK 74172

Dear Mr. Gebbia;

On May 17, 2010, the Alaska Department of Environmental Conservation, Contaminated Sites Program (DEC) sent correspondence notifying Williams Alaska Petroleum, Inc. that Williams Alaska is a responsible party liable for releases of hazardous substances. North Pole Refinery. As you know, significant releases of hazardous substances occurred and were documented during Williams' ownership and operation of the refinery. In particular, sulfolane was first discovered in the groundwater at the facility during the time Williams' operated the refinery. This letter serves to update you on the current status of the sulfolane investigation and to require your active participation in the cleanup process.

As of September 2013, 312 drinking water wells on private properties have been affected by the sulfolane groundwater contamination. Flint Hills Resources (FHR) has continued to provide alternate water supplies to these properties, as well as to other properties in the vicinity of the plume boundaries as a precautionary measure. FHR has also continued site characterization work, under DEC oversight, and a draft report for the 2013 field activities is expected on December 20, 2013.

Through this letter DEC is informing Williams Alaska that it also is required to take steps to complete cleanup of the sulfolane groundwater contamination released from the refinery property. The extent of off-site cleanup required will depend on the evaluations prepared as part of the feasibility study that Flint Hills Resources, LLC (FHR) is required to perform. DEC recommends that Williams actively participate in the feasibility study process, or else develop its own independent feasibility study under DEC's direction, or be prepared to accept the results of the evaluation completed by FHR after DEC's approval. Along with FHR, Williams will be expected to undertake cleanup and remediation, as determined and approved by DEC based on the results of the ongoing site work.

DEC is also advising you that it intends to start invoicing Williams for portions of the State's costs of response, containment, removal and remedial action related to the contamination at the North Pole Refinery, starting in January 2014. These costs include expenses incurred by the Department of Environmental Conservation and the Department of Law. You will be invoiced on a monthly basis by DEC, and instructions will be provided as to where and when to remit payments.

In addition to our expectation of Williams' active participation in the steps leading to a final off-site cleanup plan, DEC requests that, at this time, Williams undertake a thorough review of the existing site characterization information with the following objectives:

- To identify any potential off-site data gaps critical to the completion of an off-site cleanup plan; and
- To propose treatability studies for off-site areas of elevated dissolved sulfolane.

This review should result in the submission of a workplan addressing identified data gaps (if any) and a proposal for a treatability study to address off-site hotspots. DEC is available to guide Williams' work in this regard, and requests submission of the workplan no later than May 1, 2014.

DEC's third request is that Williams submit the following historical information to DEC:

- Documentation listing all the types of petroleum products produced at the refinery prior to the property transfer to FHR.
- Documentation showing the historical locations of sumps, piping, or containment lines that may help understand the origin and spread of contamination throughout the refinery.
- Documentation listing the historical storage locations, and use locations of products containing perfluorinated compounds, including but not limited to aqueous film forming foams (AFFF), during Williams and its predecessors' ownership of the refinery.

This requested historical information should be submitted to DEC no later than February 28, 2014.

Finally, DEC requests a status report on Williams' progress on the groundwater model that Williams proposed in October 2013. Please submit an update to DEC describing the status of Williams' work on the model, including the schedule for its completion, by January 10, 2014.

As a responsible party you are required to complete the actions above by the dates indicated. If you have any questions regarding this request please contact me at: Steve.Bainbridge@alaska.gov or 907-269-2021. Your attention to this matter is greatly appreciated.

Sincerely,

Steve Bainbridge, P.E.

Contaminated Sites Program Manager

cc: Lauri Adams, DOL Rick Albright, Region 10, EPA Tamara Cardona, DEC Kristin Ryan, DEC